Pipeline Deals Netted Ex-Minister $500,000

★ ★ ★

Ontario Politicians Cited in New Report

★ ★ ★

TORONTO (CP)—A report tabled in the legislature Thursday showed that four stock promoters — including a Progressive Conservative cabinet minister who has resigned — made profits of $500,000 each from sale of natural gas pipeline stocks.

Attorney-General Roberts tabled the long-awaited report along with 1,540 pages of testimony taken during an investigation last summer by a three-man committee.

INQUIRY WANTED

Opposition members indicated they still want a judicial inquiry as the House agreed to debate the issue in a week or two when the report has been digested.

The report disclosed former mines minister Philip Kelly was among four promoters who got profits of about $500,000 each through stock splits and cut-rate prices for shares in Northern Ontario Natural Gas Company.

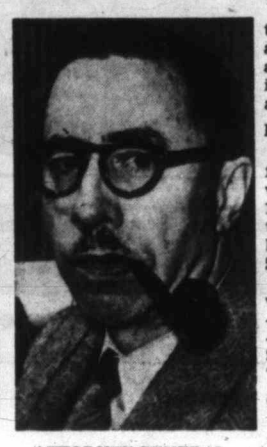
It also disclosed details of profits by two other Progressive Conservative cabinet ministers who later resigned, two municipal officials, Liberal Leader John Wintermeyer and lawyer A. D. McKenzie, president of the Ontario Progressive Conservative Association.

The report said:

"There was no other evidence disclosed of sale or gifts from any of the promotional group to any other cabinet minister, or any other elected or appointed municipal official . . .

"On all the evidence and after careful examination of the records as to the disposition of shares we find no evidence of bribery or corruption with reference to Northern at any level of government, municipal or provincial."

LIBERAL LEADER JOHN WINTERMEYER



ATTORNEY-GENERAL KELSO ROBERTS

CCF Leader Donald MacDonald was quick to refer to statements by Mr. Kelly last week which he said indicated other cabinet ministers held stock in Northern Ontario Natural Gas or some other distributing companies.

"You don't propose to resolve the contradictions involved in Mr. Kelly's words?" he asked Premier Frost.

The premier replied that there have been discrepancies in other statements by Mr. Kelly and added:

"We have more important business to do than try to resolve discrepancies in Mr. Kelly's words."

The contraversy concerns Northern Ontario Natural Gas Company formed in 1954 to distribute Alberta natural gas to Northern Ontario communities from the Trans-Canada pipeline.

Promoters' stocks were distributed for as little as .8 cents a share and sold for as much as $28 before the public offering in June, 1957. Profits ran as high as 350,000 per cent.

PUBLIC UNAWARE

When 400,000 shares were first offered to the public it wasn't known that more than 1,000 had already been distributed and that stock splits had increased their number 500 times.

Altogether 730,378 shares were distributed for $333,420—530,000 of them for $56,000—before public investors paid $4,000,000 for 400,000 shares. The stocks now sell for $16.

CALLED "TORY"

The investigation was carried out by Toronto lawyer Gordon Ford—opposition members called him "a Tory" in the House Thursday—and two officials of the Ontario securities commission, auditor Wilfred Chisholm and counsel H. S. Bray.

Mr. Kelly entered the picture while still mines minister but resigned both his portfolio and his seat in the legislature in 1957.

Unlucky Fridays Pile Up

MEMPHIS, Tenn., (AP)—Lonnie Johnson, whose hobby is calendars, knows why the 1950s are frazzled. Too many Fridays falling on the 13th.

For superstitious souls who believe Friday the 13th is an unlucky day, Johnson points out that today is the 17th of the 1950s and that there will be two more of them this year — in March and November.

"That's more than we've had in any decade in modern history," said Johnson. "And there won't be another one like it for 400 years, either."

Iran 'Two-Faced'

MOSCOW (AP)—The Soviet Union Thursday night accused Iran of a "two-faced insincere policy" that led to collapse of Soviet-Iranian negotiations for a treaty.

The United States intervened to prevent the signing of the non-aggression treaty and worked instead for an Iranian-American military agreement, a Soviet statement declared.

The statement coincided with Washington word that President Eisenhower intervened personally to support Iran's shah in dealing with Moscow.

Mails were carried on horseback between Kingston and Toronto as late as 1834.

$5,500 CASH
(Full Price)
A two-bedroom home with basement, Oaklands District — Recommended by
THOMAS T. GIBBS, Realtor
NORTHWESTERN SECURITIES LTD.
EV 5-6741; Res. EV 2-7468

SPECIAL ROSE SALE
SEVERAL THOUSAND ROSES, ALL FIRST GRADE AND BEST VARIETIES TO BE SOLD AT..... each **65c**
All Roses Guaranteed One Year
LANDSCAPING ROCK WORK
Free Estimates — Free Plan — No Obligation
Ask for Our Convenient Budget Plan with No Interest or Carrying Charges
LAYRITZ NURSERIES LTD.
EV 4-3733 772 FORT ST.
Established 1890 Nurseries: 4362 Wilkinson Road

Small Firms Ruled Out

Forest Licences For Big Six Only

Full utilization of timber to create a broader, more stabilized job base will be the key to the granting of any more B.C. tree farm licences, Lands and Forests Minister Ray Williston told the legislature yesterday.

He said that practically all of the 131 tree farm licence applications now on file will be disallowed.

The government, he said, proposes to require that in developed areas (which will mean the Vancouver Forest District, including Vancouver Island) consideration will be given only to those applicants who already own 25 per cent or more of the timber in the proposed licence area.

Further, he said, the applicant will have to demonstrate that the timber is required for specific utilization plants, constructed or planned. That means job-providing pulp and paper and other plants will be built along with every tree farm licence granted.

In effect that means B.C. Forest Products, MacMillan and Bloedel, Crown Zellerbach, Powell River Company, Alaska Pine and Canadian Forest Products, the big six of B.C. timber industry, will be the only companies big enough to apply for forest management licences in this area.

The new policy would leave small operators the right to cut on private lands or in areas set aside as public working centres.

"Consideration is being given to long-termn (21 years) timber sales with sustained-yield units which will lead to more permanent, efficient operations," Mr. Williston said.

"Planned utilization of the tree might well become the criteria which would establish the bona fides of those permitted to apply or bid for such long-term sales."

Mr. Williston said the government plans to continue a search for a successor to former forestry adviser Gordon Sloan.

LICENCES GIVEN

Mr. Williston said that on May 21 Alaska Pine Company was awarded a tree farm licence on Vancouver Island and the mainland coast embracing 513,928,000 cubic feet of Crown timber and 379,663,000 cubic feet of private timber.

Moore-Whittington Lumber Company of Victoria, on Oct. 20, was awarded a tree farm licence on Nitinat Lake area for 172,542,000 cubic feet of Crown timber and 20,307,000 cubic feet of private timber.

These contracts provide opportunity for contractors to harvest 50 per cent of the allowable cut on the Crown lands.

Province Reshaping Forest Fire Defence

Lands and Forests Minister Ray Williston yesterday hinted in the legislature that a radically new plan for fire protection in B.C. forests is being devised.

He said the plan will involve close co-operation by both industry and the forest service with one man to be established as a co-ordinator during periods of fire emergency.

Record number of 4,120 fires burned more than 2,065,423 acres last year and cost $5,500,000 to fight, four times as much as the previous high set in 1956.

Mr. Williston said the death of Gordon Sloan, who was scheduled to conduct an inquiry into fire-fighting matters, had caused a change in plans.

Forest service officials and the forestry committee of the Northern Interior Lumbermen's Association will meet to map out fire-control plans specifically tailored to protection methods within public working circles.

He said there is a need for a central registry of men from both the forest service and industry who could provide on-the-spot experienced leadership during periods of fire emergency.

A network of access roads and trails to provide maximum inter-communication and efficient transfer of men and equipment in times of emergency will be devised by co-operative planning.

Mr. Williston said revised rates of pay for fire-fighters and equipment rentals are under study.

Shareholders of Dominion Tar and Chemical have approved increase of common stock to 10,000,000 shares from 5,000,000. The new shares will be used to acquire the assets of Gypsum Lime and Alabastine on a share exchange plus cash basis.

BARGAIN! '59 FRIGIDAIRE ELECTRIC DRYER
De Luxe Model
Never before . . . so many top-of-the-line convenience features in a dryer priced this low! Heat Selector with infinite choice of heats, Automatic Time Control, 10-minute automatic cool-off, wonderful "Wrinkles Away" drying, fast Free-Way Air Flow, new Push-Button Safety Door, Sliding Lint Trap, Porcelain Tub!
199
ONLY 11.50 PER MONTH
PAIR IT UP WITH THIS MATCHING FRIGIDAIRE DE LUXE AUTOMATIC WASHER
Bargain Buy at only..... 279.00

Standard FURNITURE DENNYS OF VICTORIA
APPLIANCE DEPT.
747 YATES ST. EV 2-5111
2 Doors From Main Entrance

YOU'LL BE WEARING HORSESHOES WHEN YOU VISIT OUR SHOWROOMS. COME ONE! COME ALL! Bargains by the Dozens . . . We'll Be Ready for You!
WATCH OUR CLASSIFIED
THE MOORE-WHITTINGTON LUMBER CO. LTD.
EV 3-7106
2614 BRIDGE STREET Just Off Bay Street

LIVE BETTER BY FAR . . . WITH A BRAND NEW CAR!
PONTIAC ← 1959 → BUICK
Large selection . . . best values . . . and all the wonders you've waited for in the 1959 Pontiacs and Buicks!
Come in and see the large selection of models in 1959 Buicks and Pontiacs. See the colors and options available for your consideration. At Empress, we are in need of space and are ready to give buyers the opportunity to make the best deal in town ON THE BEST CARS IN TOWN!

"Live Better By Far . . . with a BRAND NEW CAR" from
OPEN TILL 9 P.M. MONDAY THRU FRIDAY
Empress Motors
IMMEDIATE APPRAISALS HIGHEST TRADE-INS
★ For a Good Deal and a Good Deal More
900 FORT STREET PHONE EV 2-7121